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December 27, 1961

MEMORANDUM TO: The Secretary of State
The Secretary of Defense

FROM: Jeffrey C. Kitchen: Deputy Assistant Secretary,
Politico-Military Affairs, Department of State

SUBJECT: Country Annexes to Report of the Military
Assistance Steering Group

The enclosed papers are forwarded to provide detail on considerations taken into account in formulating the recommendations made in the country sections of the Steering Group Report.

The procedure followed by the Group was to hold a hearing on each country. Representatives of State Department regional bureaus, AID regional counterparts, the Joint Staff and ISA, and the Budget Bureau set forth fundamental historical facts, estimates of the present situation, and critical factors affecting future U.S. relations with each country including the requirement for military and economic assistance. The country papers were developed following these hearings. Establishment of a standard format was deliberately avoided; the writing taking the form of an adversary proceeding with advocates for opposing positions presenting their maximum cases. In each paper the defense of the existing 1962-67 field plan or suggested minimal change is presented first followed by a proposed alternative plan analyzing the changing nature of the security threat and usually calling for a sharper shift in emphasis from military to economic forms of aid.

Jeffrey C. Kitchen
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TURKEY

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KEY ELEMENTS OF THE SITUATION

a. U. S. Goals in Turkey are to continue Turkey's orientation toward the U. S. and its strong support for U. S. and NATO objectives, including keeping the Middle East free from direct Sino-Soviet penetration. Military goals include the continued development of efficient Turkish military forces capable of maintaining internal security, resisting Communist invasion or subversion, and performing assigned NATO and CENTO missions in limited or general war. Within this framework of security, the U. S. strives to assist Turkey to achieve a rapid economic growth which will reduce the need for external economic and military assistance, increase the standard of living of its population and encourage political stability.

An important U. S. goal is to maintain the strategic advantage we realize from the Turkish defense effort which plays a vital role in implementing a forward strategy by: (a) holding the furthest forward position opposite the Soviet Bloc, and (b) providing bases for U. S. and NATO contingency use.

b. Nature of the Threat.

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b. Nature of the Threat. Turkey, by virtue of her strategic location astride the Dardanelles and common border with Russia and Bulgaria, faces a serious direct military threat. The USSR is continuing to apply pressure on Turkey to withdraw from NATO and CENTO or be destroyed in any East-West conflict, and are offering inducements in the form of economic aid to help achieve their goals. Turkey is subject to the same general war threat as are the other NATO members under the collective security concepts of NATO, with the added threat that Turkey is the only NATO country, except for Norway, having a common frontier with Russia.

Political instability is a real threat to U. S. interest in Turkey.

If the political system organized under the new constitution does not succeed, the military might again intervene forcefully with the consequent risk of revolution and dictatorship. There is the possibility that Turkey may dissolve its ties with the West and drift toward neutralism should the Turks decide that the West lacked the will or strength to come to its aid effectively in the event of aggression by the Communist Bloc or that the West is not meeting Turkey's justified requirements for economic aid.

c. Evaluation of

c. Evaluation of Military Forces to Meet the Threat.

Turkey provides a force of 350,000 men

|| The Armed Forces can cope with internal security. Against any of her neighbors, except Russia, Turkish forces can defend her area. If such an attack received Soviet support, Turkey alone could defend herself and the Straits for a limited time only. The Turkish Army now has essentially World War II equipment and capability, supported by some advanced weapons. The Navy has a destroyer and submarine force in an acceptable state of readiness, and a significant mine warfare capability. The Air Force has progressed to an all-jet tactical Air Force which has a conventional weapon capability.

The Turkish Forces are handicapped by personnel inadequacies. Almost all units are understrength, and half of the conscripts are illiterate. Other weaknesses are the shortage of nuclear firepower, lack of air defense, limited mobility, communication deficiencies, obsolescent aircraft, obsolete ships, and deficiencies in logistics, war reserve equipment and ammunition. By all standards the forces fall short of meeting NATO requirements.

The military

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The military assistance plan for FY 1962-67 is based upon the minimum Turkish Armed Forces compatible with U. S. interests. This six-year basic plan will provide MAP support at about \$187 million annual delivery level and will improve the Turkish Armed Forces so that they may continue to act as a deterrent to direct aggression. The principal objectives of this plan will improve the firepower, air defense, mobility, communications and logistical support for the Army. Initial equipping will be completed for [] 4-Day Divisions combat and logistic elements. Normal force maintenance will be continued. The offensive capabilities of the Navy will be improved by modernization of [] submarines, overhaul of an additional [] submarines and delivery of [] motor torpedo boats. Introduction of one squadron of helicopters, fifteen patrol craft and replacement of four destroyers will markedly improve the ASW capability. Mine warfare and amphibious lift capability will be improved by delivery of nineteen mine warfare vessels and nine amphibious crafts. Modernization of [] obsolescent aircraft squadrons with F-104 aircraft will improve the combat capability of the tactical and air defense squadrons.

The first increment of the IRBM (Jupiter) Squadron was funded in FY 1960. All items required to place the IRBM Squadron in operation are included in the basic FY 1962-67 plan at an estimated cost of \$118. The total MAP cost of the Jupiter program

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program is \$208 million through 1967. Construction and training are on schedule. The IRBM Squadron is scheduled to become operational in March 1962, using USAF personnel. The Turkish Air Force is scheduled to assume operational responsibility, except for warhead custody, by February 1964.

d. Modern Weapons. At the present time the Turkish forces have [] Nike battalions; [] Honest John battalions, [] 8" Howitzer atomic capable batteries [] Nuclear Strike (Jupiter) IRBM squadron, and [] squadrons of dual-capability F-100 aircraft. []

The FY 62-67 plan will provide the following additional modern weapons which the Turkish Armed Forces have the capability to absorb and utilize:

[] 8" Howitzer atomic batteries
[] SSF Honest John batteries
[] F84F Tactical Fighter squadron
[] F-104G squadron modernization replacements having potential dual capability.

FIELD PLAN AND DISCUSSION

Ambassador Hare has submitted a detailed basic assessment of our aid program to Turkey which fully documents the need to continue our military assistance program at approximately prevailing levels. This recommended course of action is continuance of a substantial program for military aid at about the level of \$187 million a year.

Ambassador

Ambassador T. K. Finletter and General C. D. Palmer have indicated the far-reaching adverse effects on NATO of a reduction in military assistance for Turkey.

Although it may be desirable to increase our economic aid to Turkey, to achieve U. S. goals, this should not be done at the expense of MAP. The validity and feasibility of fulfilling military requirements to achieve NATO goals for Turkey should be determined on its own merits. Military assistance to Turkey represents -- not prestige, area relations, or a plate-glass defense establishment, but a genuine contribution in terms of geography, policy and forces in being with the specific mission of direct combat if necessary with the Soviets. We find in Turkey a resoluteness to stand up to the Soviets. The military have competence and motivation and have fulfilled their pledge to hold elections and return the government to democratic civilian control. We have received good security value for our Turkish MAP dollars.

There are certain economic contributions represented by the Turkish military defense establishment which mitigate the economic drain:

(a) *OK to release* Were it not for MAP, maintenance of any force approximating the present military establishment would absorb far more of Turkey's GNP.

(b) Most of

(b) Most of the foreign exchange costs for the Turkish Defense establishment are paid for by MAP.

(c) Part of Turkey's military budget represents wages and salaries for untrained manpower which would not be absorbed into the economy in view of serious unemployment.

(d) Training provided to non-career personnel can be utilized when they return to civilian life.

(e) The Turkish military contribute, through various civic action programs, assistance in education, conservation, and other development projects.

The military, political, and economic consequences of providing military assistance at the \$187 million annual delivery level as currently proposed in the FY 1962-67 military assistance plan must be compared with those of the alternative plan II (submitted for field consideration as part of this MAP study) based on annual MAP support at the \$125 million annual delivery level. This alternative plan was based on a 25% reduction in combat units from the forces currently MAP supported, elimination of supporting assistance after FY 1967 and maintenance of manning levels at 85% of authorized strength.

CONSEQUENCES

CONSEQUENCES

a. Military. The alternative plan would result in a qualitative and quantitative deterioration in combat capability with a decreased ability to withstand major aggression. Effectiveness of the Turkish Navy could be expected to reach 70% of that attainable under current force objectives. Maintenance of the reduced force, but little force improvement, could be accomplished in the Air Force. [

] However, due to firm U. S. commitments this item would have to be restored and a corresponding cut of \$118 million taken elsewhere from the program. Force maintenance of the Turkish Armed Forces could be accomplished, but funds would not be available for any significant force improvement. Increased obsolescence also would contribute to a commensurate deterioration of combat effectiveness.

The basic FY 62-67 plan is considered to be the optimum balance of forces that should be supported by the U. S. to effectively carry out the missions of the Turkish Army without requiring immediate assistance from the U. S. or NATO. The plan provides an austere naval force having an acceptable degree of capability to carry out required missions. The Air Force provided is the best mix of types and missions on an austere

basis...

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basis. High costs in early planning years are caused by the IRBM program and the necessity of replacing the F-84G with the F-104G as soon as possible.

b. Political. The immediate Turkish reaction to a reduction to the aid level contemplated in the alternative plan would probably be an increase in efforts for the reduction or removal of existing U. S. privileges and facilities. It might also be reflected in a less cooperative attitude toward the United States in other ways but Turkey would remain a member of the Western anti-Soviet Bloc. Over the longer term if the Turks saw their forces as sliding into obsolescence, they might well maneuver toward neutralism. Assurances of the assignment of U. S. forces to assist Turkey in the event of attack would not be satisfactory to the Turks as a substitute for forces under their own control. Even the implementation of the basic FY 62-67 plan would produce some disappointment on the part of Turkey since it does not provide for the introduction of new advanced weapons to the extent desired.

c. Economic. The discontinuance of supporting assistance in FY 63, as proposed, could have a deleterious effect of the Turkish economy. The main concern would be the inadequacy of local currency resources for the military (MOD) budget. At present the Turkish Government relies on about one billion lira (\$110 million)

(\$110 million) annually of aid-generated local currency to support its local budget. Half of this amount (\$56 million) is allocated to the military budget to cover the shortfall in Turkish revenues. The Turkish military budget is estimated as rising from 2.1 billion lira (\$233 million) in FY 62 to 2.2 billion lira (\$244 million) in FY 67. The ability of the Government of Turkey to support domestic cost of its military establishment in the future will depend on the economic growth rate and external economic aid provided either as grant aids or loans. Elimination of aid-generated local currency support after FY 62 as indicated in the alternative plan is likely to create a budgetary crisis regardless of planned levels of Turkish Armed Forces.

CONCLUSIONS

a. Immediate, complete adoption of the alternative plan would result in a qualitative and quantitative deterioration in combat capability of the Turkish forces to resist major aggression. Termination of supporting assistance after FY 1962 would require compensating replacement of grant aid by loans. Since the [REDACTED] the reduction in financial support for other forces is greater than otherwise visualized.

b. The basic

[REDACTED]

b. The basic FY 62-67 plan is compatible with U. S. interests and would provide forces capable of (1) maintaining internal security, (2) meeting a limited aggression, and (3) delaying a major Soviet attack until Western help can be effective.

c. Turkey is capable of assimilating the modern weapons currently planned, but introduction of additional sophisticated weapons beyond those currently planned should be phased to coincide with country capability to utilize efficiently.

d. Turkey's defense effort is essential to NATO and to the collective security of the Free World. Any reductions in the strength level of the Turkish Armed Forces would constitute a degradation of the over-all collective military effectiveness and defensive capability of the Free World.

e. Given its chronic balance of payments deficit and the need for time to prepare a rational, systematic program for development, Turkey will require supporting grants for some time.

RECOMMENDATIONS

It is recommended that:

a. In light of the currently unfavorable international situation, no reductions in military assistance be made for Turkey.

b. Supporting Assistance funds should not be eliminated after FY 1963, but rather reduced on a basis phased with the

Turkish

Turkish capability to absorb the cost throughout the planning period.

c. The basic FY 1962-67 military assistance plan with some minor adjustments be approved as basic guidance in the preparation of Military Assistance Plans.



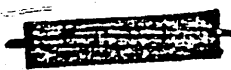
II. Alternative Plan

SUMMARY. As in Greece, the overall thrust of our aid effort should be directed more than at present toward the internal problems which constitute the most likely future threats to U.S. interests in Turkey. To achieve this, we should gradually reduce MAP to around \$125 million annually, while increasing our contribution to economic growth and development. This MAP level, together with the NATO umbrella, should still provide an acceptable deterrent to Bloc aggression.

RATIONALE FOR THE SHIFT IN EMPHASIS. U. S. aid to Turkey has been aimed primarily at building strong local defenses against Communist aggression, and maintaining an adequate economic base to make this possible. MAP has been keyed to a NATO concept which requires as great a military effort from underdeveloped Turkey as from the most advanced Western nations. On this basis, we have built up and are now planning to substantially modernize major land, sea and air forces for NATO defense of over three billion dollars total U. S. grants and loans, about two-thirds have been for military assistance.

Even with all the aid given, and that which is planned for the next five years, Turkish forces will still fall short of NATO military goals, at least in effectiveness. Indeed we have long accepted a major shortfall in Turkish readiness because the primary deterrent to Bloc attack remains the NATO umbrella. Although Turkish capacity to meet the initial thrust of a Communist attack might be reduced by a lower level of MAP assistance, the fact remains that the ultimate fate of Turkey would be settled by the outcome of the broader conflict, largely on other battlefields. Moreover, the likelihood of Bloc local attack on Turkey alone is remote.

In any



In any event, the military threat to Turkey seems far less acute than the problems created for U. S. and NATO interests by internal political developments, economic stagnation, low standards of living, and severely limited opportunities for constructive employment of popular energies. []

The effectiveness of this and future governments in molding a cohesive political community, will depend heavily on its ability to find solutions to pressing economic problems, centering around the need for accelerated development.

We can best respond to these primary internal threats by helping Turkey to develop its own internal strength as a nation. U. S. and NATO interests would be better served in the 1960s by concentrating on building such strength, which would inter alia eventually make Turkey better able to make a substantial military contribution from its own expanded resources.

Turkey's Five Year Development Plan, to begin in 1963, aims at a 7 per cent rate of growth in GNP. With a 3 per cent rate of population growth, this would result in an annual increase of 4 per cent in per capita income. Even with this rate of growth, per capita income would only reach about \$250 by 1967 in constant prices. Foreign resource requirements for the Five Year Plan have been estimated at about \$12 billion, of which approximately \$600-\$650 million, or \$120-\$130 million per year would have to be furnished by the U. S.-- the rest would come from IPRD loans and OECD assistance. A shift of some \$60 million a year from MAF to the economic sector, if feasible, would go a long way toward meeting this requirement. At present, for example, Turkey is not scheduled to get any development loans in FY 1962.

IMPLICATIONS

IMPLICATIONS FOR MAP. Thus we should divert some of the resources now planned for military build-up in Turkey into a major attack on the serious internal problems centering around the lack of adequate economic progress. Cutting the present five-year MAP plan projection to a total of \$750 million 1962-67 would permit such diversion, while still allowing some modernization. The cut could be accomplished by a more stretched-out and selective provision of high-performance jet aircraft, major combat ships, tanks, long-range artillery, armored personnel carriers, etc. Turkey's lack of skilled manpower makes it doubtful that it could absorb the amount of advanced equipment proposed in the five-year plan. Budget support would be eliminated, but other forms of assistance should be provided to compensate for Turkish inability to meet both defense and development budget requirements.

WHAT ARE THE RISKS? Reduction in MAP would involve a marginal increase in the risk of aggression. However, the primary deterrents--the NATO and U. S. commitments to defend Turkey, and the threat of general war arising from such a conflict--would remain in being. Thus such a reduction would not seem to pose an unacceptable military risk.. In any event, these military risks must be judged against the more unmanageable risks of continuing to invest heavily in a marginal portion of the total NATO deterrent against the least likely threat, at the expense of the crucial effort to deal with serious internal problems. Turkish resources, plus likely U. S. aid resources will not be sufficient to meet both economic and military needs. If we must make a choice among competing options, greater emphasis on development aid at the expense of MAP makes the most sense.

PROBLEMS OF TURNAROUND. The alternative MAP proposal will be difficult to sell politically to Turkey. The Turks will be reluctant to accept a reduction of military aid

[REDACTED]

of military aid or local military effort. The general emphasis on NATO build-up to meet the Berlin crisis adds to the difficulty of moving promptly in the opposite direction in Turkey and will require a gradual turnaround.

However, the government, which has made substantial economic as well as military aid requests, must [] face up to a choice of priorities. The fact that the top leadership is military will not necessarily result in assignment of higher priority to military over economic aid, when the pressures to produce results in the economic-social field are considered. If properly presented, a total aid package need not arouse misconception as to the NATO and U. S. support which Turkey will continue to enjoy. Such a package would include substantially increased contributions to the Turkish development effort, under a long-term commitment if possible, to gain major economic and political impact.

The changes in NATO objectives or policies required by this alternative approach should not be too difficult to achieve, since NATO annual reviews for several years have chronicled the shortages of manpower and skills as well as equipment in Turkey to meet NATO goals.

The ability of Turkey to absorb resources diverted from MAP will depend largely on the soundness of the Five Year Development Plan and the implementing activities. While real problems exist on this front, the shift of emphasis within the U. S. aid package can be used as leverage in directing increased Turkish attention to the problems of planning and carrying out an effective development program.

To the extent necessary the new approach could be implemented over a period of several years to avoid any impression of sudden change in policy toward Turkey and to permit an orderly shift in the allocation of resources from the

defense to the

defense to the development effort, with a minimum of short-term dislocations.

But the immediate need is to recognize what our basic requirements in Turkey really are, and to change our policy direction, so that U. S. programs can in fact be re-oriented within a reasonable length of time.